

# FINAL BILL REPORT

## SSB 5436

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### PARTIAL VETO C 552 L 09 Synopsis as Enacted

**Brief Description:** Concerning direct patient-provider primary care practice arrangements.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Murray, Keiser, Pflug, Marr, Parlette, Kastama and Roach).

**Senate Committee on Health & Long-Term Care**  
**House Committee on Health Care & Wellness**

**Background:** Legislation passed in 2007 created a new chapter in Title 48 for direct patient-provider primary health care practices. The direct practices were explicitly exempted from the definition of health care service contractors in insurance law. Direct practices furnish primary care services in exchange for a direct fee from a patient. Services are limited to primary care including screening, assessment, diagnosis, and treatment for the purpose of promotion of health, and detection and management of disease or injury. Direct practices are allowed to pay for charges associated with routine lab and imaging services provided in connection with wellness physical examinations. Direct practices are prevented from accepting payments for services provided to direct care patients from regulated insurance carriers, all insurance programs administered by the Health Care Authority, or self-insured plans. Direct practices may accept payment of direct fees directly or indirectly from non-employer third parties, but are prevented from selling their direct practice agreements directly to employer groups.

Beginning December 1, 2009, the Office of Insurance Commissioner (OIC) must begin reporting to the Legislature annually on direct practices, including participation trends and complaints received. By December 1, 2012, the OIC must submit a study of direct care practices including the impact on access to primary health care services, premium costs for traditional health insurance, and network adequacy.

**Summary:** Direct practices furnishing primary care are allowed to pay for charges associated with routine lab and imaging services. The restriction that these services be limited to wellness examinations is removed. The restrictions on accepting payments for services from insurers is lifted in part, and direct practices are allowed to accept payments from self-insured plans. A direct practice may accept a direct fee paid by a third-party,

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including an employer; however, the agreement with the employer must be limited to the timing and method of payment.

**Votes on Final Passage:**

Senate	47	0	
House	62	36	(House amended)
Senate			(Senate refused to concur)
House	57	36	(House amended)
Senate	29	18	(Senate concurred)

**Effective:** July 26, 2009

**Partial Veto Summary:** The Governor vetoed the section adding direct practices to the list of programs and insurance carriers that must pay the assessment to the Washington State Health Insurance Pool, and the section requiring that marketing materials provided by a direct practice be filed for approval with the Insurance Commissioner prior to use.